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St. Tammany Parish Recreation District No. 11

Abita Springs, Louisiana

Annual Financial Statements
As of December 31, 2006 and for the Year Then Ended

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/8/07

PHIL HEBERT
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL ACCOUNTING CORPORATION

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

ANNUAL FINANCIAL STATEMENTS

Office of Legislative Auditor
1600 North Third
P.O. Box 94397
Baton Rouge, LA 70804-9397

Sir/Madam:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the St. Tammany Parish Recreation District No. 11 as of and for the year ended December 31, 2006. The report includes all funds under the control and oversight of the District. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,

Signature:

Timothy Hard

Title:

Chairman

Date:

June 25, 2007

enclosure

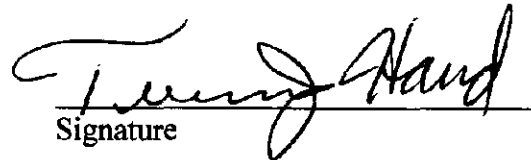
**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**ANNUAL SWORN FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2006
WITH APPROPRIATE SUPPLEMENTAL INFORMATION**

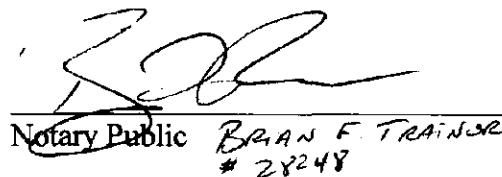
Required by Louisiana Revised Statute 24:514 to be
filed with the Office of Legislative Auditor

AFFIDAVIT

Personally came and appeared before the undersigned authority, TERRENCE J. HAND
who, duly sworn, deposes and says that the financial statements herewith given present fairly the
financial position of the St. Tammany Parish Recreation District No. 11 as of and for the year
ended December 31, 2006, in accordance with the basis of accounting described within the
accompanying financial statements.


Signature

Sworn to and subscribed before me, this 25TH day of JUNE, 2007.


Notary Public BRIAN F. TRAINOR
28248

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Annual Financial Statements
As of and for the Year Ended December 31, 2006
With Supplemental Information Schedules**

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MEMBER
American Institute of
Certified Public
Accountants

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MEMBER
Society of Louisiana
Certified Public
Accountants

Accountant's Compilation Report

Board of Commissioners
St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

I have compiled the accompanying financial statements of the governmental activities, of St. Tammany Parish Recreation District No. 11, Abita Springs, Louisiana, a component unit of the St. Tammany Parish Consolidated Government, as of and for the fiscal year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents, and the accompanying supplementary information schedule on page 28, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information, on pages 5 through 10 and 28, are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

I am not independent with respect to the St. Tammany Parish Recreation District No. 11, Abita Springs, Louisiana.

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation

June 7, 2007

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Required Supplemental Information (Part I)
Management's Discussion and Analysis

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana
Management's Discussion and Analysis
December 31, 2006

Introduction

The St. Tammany Parish Recreation District No. 11 was reestablished by the St. Tammany Parish Council on July 2, 2002 pursuant to Louisiana Revised Statute 33:4564. The District has the authority to own and operate facilities and engage in activities which promote recreation. The District area encompasses all of Ward 10, including the Town of Abita Springs. The governing board is made up of five commissioners; four are appointed by the Parish Council and one is appointed by the Parish President.

Financial Highlights

- At December 31, 2006, the District's assets exceeded its liabilities by \$317,458 (net assets). Of this amount, \$271,061 (unrestricted net assets) may be used to meet the District's ongoing obligations to its citizens.
- At December 31, 2006, the District's governmental fund reported a fund balance of \$271,061, an increase of \$107,742 from the previous year. Of this amount, \$271,061 is available for spending at the District's discretion (unreserved fund balance).

Overview of the Financial Statements

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana
Management's Discussion and Analysis
December 31, 2006

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private sector.

The Statement of Net Assets presents information on all the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District consist of one category: governmental funds.

Governmental funds are used to account for most of the District's basic services as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana
Management's Discussion and Analysis
December 31, 2006

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on Statements D and F.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balance for the General Fund.. The basic governmental fund financial statements can be found on Statements C and E of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 26 of this report.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana
Management's Discussion and Analysis
December 31, 2006

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets following this section.

Net Assets
December 31, 2006 and 2005

	<u>2006</u>	<u>2005 Restated</u>
Assets:		
Current and Other Assets	\$ 271,061	\$ 163,864
Capital Assets	46,397	38,743
Total Assets	<u>317,458</u>	<u>202,607</u>
Liabilities:		
Accounts Payable	-	545
Total Liabilities	<u>-</u>	<u>545</u>
Net Assets:		
Invested in Capital Assets	46,397	38,743
Unrestricted	271,061	163,319
Total Net Assets	<u>\$ 317,458</u>	<u>\$ 202,062</u>

Approximately 14.6% of the District's net assets reflects its investment in capital assets (improvements, and equipment) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 85.4% of the District's net assets are unrestricted and may be used to meet the District's ongoing obligations to its citizens.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana
Management's Discussion and Analysis
December 31, 2006

Governmental Activities

In order to further understand what makes up the change in net assets, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 13 following this section.

Change in Net Assets
For the Years Ended December 31, 2006 and 2005

	2006	2005 Restated
General Revenues:		
Ad Valorem Taxes	\$ 151,623	\$ 109,742
Revenue Sharing	8,092	6,142
Interest Income	2,648	2,272
Other Revenue	49	150
Total General Revenues	<u>162,412</u>	<u>118,306</u>
Expenses:		
Advertising	192	-
Depreciation	5,557	3,903
Dirt, Sand and Gravel	10,201	2,620
Fence Project	-	6,363
Grass Cutting	20,267	12,287
Legal and Professional	3,000	3,000
Maintenance	60	2,953
Other	93	222
Park and Ride	300	-
Sidewalk Project	-	746
Supplies	7,346	2,570
Total Expenses	<u>47,016</u>	<u>34,664</u>
Change in Net Assets	115,396	83,642
Net Assets, Beginning	202,062	118,420
Net Assets, Ending	<u>\$ 317,458</u>	<u>\$ 202,062</u>

The District's net assets increased by \$115,396 to \$317,458.

Ad Valorem Taxes increased by \$41,881 from the prior year amount. This is due to an increase in the millage levied from 7.41 to 10 mills.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana
Management's Discussion and Analysis
December 31, 2006

Expenses of the District increased by \$12,352. The increase was due primarily to an increase in dirt, sand and gravel of \$7,581 and grass cutting of \$7,980.

Fund Financial Analysis

As of the end of the current fiscal year, the District's General Fund reported an ending fund balance of \$271,061. This represents an increase of \$107,742 from the prior year balance.

General Fund Budgetary Highlights

For the general fund, actual revenues were \$25,476 more than final budgeted amounts. Actual expenditures were \$61,207 less than final budgeted amounts. The net change in fund balance was \$86,683 more than final budgeted amounts.

Significant variations from the general fund's final budget amounts and actual amounts are as follows:

- Actual property tax revenue was \$24,687 more than the final budgeted amount. Property tax revenue was adjusted to the grand recap received from the St. Tammany Parish Assessor's office for the tax year 2006.
- The Park and Ride project was under budget by \$36,077. The project was not started in 2006

Capital Assets and Debt Administration

Capital Assets

The District's capital assets for its governmental activities as of December 31, 2006 was \$46,397. The total increase in the District's investment in capital assets for the current fiscal year was \$7,654.

Additional information on the District's capital assets can be found in *Footnote 5 Capital Assets*.

Future Economic Plans

The District's management approach is conservative, The Board members actively monitor revenues and expenses and evaluate the costs of proposed projects.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and show the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Joanne Barton, Treasurer, St. Tammany Parish Recreation District No. 11, P.O. Box 443, Abita Springs, LA 70420.

Basic Financial Statements
Government-Wide Financial Statements

St. Tammany Parish Recreation District No. 11

**Statement of Net Assets
December 31, 2006**

Statement A

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 116,560
Ad Valorem Tax Receivable	151,636
State Revenue Sharing Receivable	2,865
Capital Assets, Net of Depreciation	<u>46,397</u>
Total Assets	<u>317,458</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	46,397
Unrestricted Net Assets	<u>271,061</u>
Total Net Assets	<u>\$ 317,458</u>

See accompanying notes and accountant's report.

St. Tammany Parish Recreation District No. 11

Statement B

Statement of Activities
For the Year Ended December 31, 2006

<u>Functions/Programs</u>	<u>Expenses</u>
Governmental Activities:	
Recreation Expenditures	\$ 47,016
Total Governmental Activities	<u>47,016</u>
 General Revenues	
Property Taxes	151,623
Revenue Sharing	8,092
Interest Income	2,648
Other	49
Total General Revenues	<u>162,412</u>
 Change in Net Assets	<u>115,396</u>
 Net Assets, Beginning, Before Prior Period Adjustment	108,952
Prior Period Adjustment	93,110
Net Assets, Beginning, After Prior Period Adjustment	<u>202,062</u>
Net Assets, Ending	<u>\$ 317,458</u>

See accompanying notes and accountant's report.

Basic Financial Statements
Governmental Fund Financial Statements

St. Tammany Parish Recreation District No. 11

Statement C

**Balance Sheet
Governmental Fund
December 31, 2006**

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 116,560
Ad Valorem Tax Receivable	151,636
State Revenue Sharing Receivable	<u>2,865</u>
Total Assets	<u>271,061</u>
Fund Balance	
Unreserved Fund Balance	271,061
Total Fund Balance	<u>\$ 271,061</u>

See accompanying notes and accountant's report.

St. Tammany Parish Recreation District No. 11

Statement D

**Reconciliation of the Governmental Fund Balance Sheet to
the Government-Wide Statement of Net Assets
December 31, 2006**

Fund Balances, Governmental Funds, Statement C \$ 271,061

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. These assets consist of:

Capital Assets, Net of Depreciation 46,397

Net Assets, Governmental Activities, Statement A \$ 317,458

See accompanying notes and accountant's report.

St. Tammany Parish Recreation District No. 11

Statement E

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2006**

	<u>General Fund</u>
Revenues	
Property Taxes	\$ 151,623
Revenue Sharing	8,092
Interest Income	2,648
Other	49
Total Revenues	<u>162,412</u>
Expenditures	
Advertising	192
Capital Outlay, Equipment	6,000
Capital Outlay, Improvements	7,211
Dirt, Sand and Gravel	10,201
General Maintenance	60
Grass Contract	20,267
Park and Ride	300
Professional	3,000
Supplies	7,439
Total Expenditures	<u>54,670</u>
Net Change in Fund Balance	<u>107,742</u>
Fund Balance, Beginning Before Prior Period Adjustment	70,209
Prior Period Adjustment	93,110
Fund Balance, Beginning After Prior Period Adjustment	<u>163,319</u>
Fund Balance, Ending	<u>\$ 271,061</u>

See accompanying notes and accountant's report.

St. Tammany Parish Recreation District No. 11

Statement F

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**

For the Year Ended December 31, 2006

Net Change in Fund Balance, Governmental Funds, Statement E **\$ 107,742**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital Outlay	13,211
Depreciation Expense	(5,557)

Change in Net Assets, Governmental Activities, Statement B **\$ 115,396**

See accompanying notes and accountant's report.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

Introduction

St. Tammany Parish Recreation District No. 11 was created by ordinance of the St. Tammany Parish Police Jury for the purpose of acquiring, maintaining, and operating recreation facilities and equipment within the District. The District operates under the direction of a five-member board appointed by the St. Tammany Parish Police Jury.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the St. Tammany Parish Recreation District No. 11 is considered a component unit of the St. Tammany Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the St. Tammany Parish Recreation District No. 11.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

C. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool and mutual funds consisting solely of government-backed securities.

Investments for the District are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General Fund	<u>10.00</u>	<u>10.00</u>

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

E. Inventories and Prepaid Items

The District utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The District did not record any inventory at December 31, 2006, the amount is not material. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The District did not record any prepaid items at December 31, 2006.

F. Restricted Assets

The District did not have any restricted assets at December 31, 2006.

G. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of the donation.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capitals assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	20 Years
Equipment	5 - 10 Years

H. Compensated Absences

The District has not established a policy concerning vacation and sick leave and has not established a pension plan.

I. Long-Term Obligations

The District did not have any long-term debt for the year ended December 31, 2006.

**St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2006**

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. At December 31, 2006, the District did not have any reserved or designated fund balances.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

M. Reconciliation of Government-Wide and Fund Financial Statements

Explanations of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanations of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

N. Pension Plans

The St. Tammany Parish Recreation District No. 11 is not a member of any retirement system.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

2. Stewardship, Compliance and Accountability

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The chairman must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed expenditures were less than \$500,000; therefore, a public hearing was not required.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 6, 2005.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was not amended in 2006.
5. The budget for the General Fund was adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principals generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the final budget for 2006.

3. Cash and Cash Equivalents

At December 31, 2006, the District has cash and cash equivalents (book balances) totaling \$116,560 as follows:

Interest-Bearing Demand Deposits	\$ <u>116,560</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

At December 31, 2006, the District has \$116,560 in interest-bearing demand deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance. The remaining balance of \$16,560 is not secured by the pledge of securities and is a violation of state law.

4. Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized</u>	<u>Levied</u>
General Fund	<u>10.00</u>	<u>10.00</u>

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District during the year and are billed to taxpayers and become due in November. Billed taxes become delinquent on December 31st of each year. Revenues from ad valorem taxes are budgeted in the year billed and are recognized as revenue when billed. The St. Tammany Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the St. Tammany Parish Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2006, the District levied 10.00 mills for a total tax levy of \$261,014. The amount exempt under Homestead exemption was \$109,378.

5. Capital Assets

A summary of changes in capital assets follows:

	<u>Balance</u> <u>01/01/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/06</u>
Capital Assets:				
Improvements	\$ 22,500	\$ 7,211	\$ -	\$ 29,711
Equipment	21,656	6,000	-	27,656
Total Capital Assets	<u>44,156</u>	<u>13,211</u>	<u>-</u>	<u>57,367</u>
Less Accumulated Depreciation:				
Improvements	1,063	1,306	-	2,369
Equipment	4,350	4,251	-	8,601
Total Accumulated Depreciation	<u>5,413</u>	<u>5,557</u>	<u>-</u>	<u>10,970</u>
Total	<u>\$ 38,743</u>	<u>\$ 7,654</u>	<u>\$ -</u>	<u>\$ 46,397</u>

Depreciation was charged to governmental functions as follows:

Recreation Expenditures	<u>\$ 5,557</u>
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St. Tammany Parish Recreation District No. 11
Abita Springs, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

6. Leases

The District does not have any capital or operating leases.

7. Compensated Absences

The District does not have employees that accumulate or vest benefits.

8. Litigation And Claims

At December 31, 2006, the District does not have any litigation or claims against it.

9. Compensation of Board Members Commissioners

The St. Tammany Parish Recreation District No. 11 paid no compensation to its board members as of and for the year ended December 31, 2006.

10. Prior Period Adjustment

A prior period adjustment was made to adjust the Ad Valorem Tax Revenue to the St. Tammany Parish Assessor's Grand Recap for tax year 2006.

Fund Balance, Before Prior Period Adjustment	\$ 108,952
Prior Period Adjustment	93,110
Fund Balance, After Prior Period Adjustment	<u>\$ 202,062</u>

Required Supplemental Information (Part II)

St. Tammany Parish Recreation District No. 11

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Governmental Fund
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Property Taxes	\$ 126,936	\$ 126,936	\$ 151,623	\$ 24,687
Revenue Sharing	8,000	8,000	8,092	92
Interest Income	2,000	2,000	2,648	648
Other	-	-	49	49
Total Revenues	<u>\$ 136,936</u>	<u>\$ 136,936</u>	<u>\$ 162,412</u>	<u>\$ 25,476</u>
Expenditures				
Advertising	200	200	192	8
Capital Outlay, Equipment	10,000	10,000	6,000	4,000
Capital Outlay, Improvements	25,000	25,000	7,211	17,789
Dirt, Sand and Gravel	7,000	7,000	10,201	(3,201)
General Maintenance	100	100	60	40
Grass Contract	27,500	27,500	20,267	7,233
Park and Ride	36,377	36,377	300	36,077
Professional	3,000	3,000	3,000	-
Supplies	6,700	6,700	7,439	(739)
Total Expenditures	<u>115,877</u>	<u>115,877</u>	<u>54,670</u>	<u>61,207</u>
Excess of Revenues (Expenditures)	<u>21,059</u>	<u>21,059</u>	<u>107,742</u>	<u>86,683</u>
Fund Balance, Beginning				
Before Prior Period Adjustment	70,209	70,209	70,209	-
Prior Period Adjustment	<u>93,110</u>	<u>93,110</u>	<u>93,110</u>	<u>-</u>
Fund Balance, Beginning				
After Prior Period Adjustment	163,319	163,319	163,319	-
Fund Balance, Ending	<u>\$ 21,059</u>	<u>\$ 21,059</u>	<u>\$ 107,742</u>	<u>\$ 86,683</u>

See accountant's report.